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16 April 1958

MEMORANDUM FOR: Office of Personnel

ATTENTION:

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SUBJECT: S. 3443 - Registration, Reporting and Disclosure
of Employee Welfare and Pension Benefit Plans

1. We are answering for the Legislative Counsel your memorandum of 27 March 1958, subject as above, concerning the applicability of the bill to certain Agency interests.

2. The bill would apply to "employee welfare benefit plans" and "employee pension plans" and describes them as certain plans, programs, etc., "established by an employer or by an employee organization, or by both." Although the Agency of course promoted the insurance program and had a direct interest in the establishment of the bill GEHA should be considered as having been established by the individuals who petitioned for incorporation, acting as representatives of all CIA employees. An "employee organization" is defined as any of certain types of organizations which exists for the purpose, in whole or in part, of dealing with employers concerning an employee welfare or pension benefit plans, or other matters incidental to employee relationships." In our view, GEHA does not exist for this purpose. Consequently, GEHA is not a plan or program of the type contemplated by the bill and is not subject to the bill.

3. As to the CIA Welfare Fund, it is understood the Fund operates under the direction of a committee consisting of the Director of Personnel and several other individuals, appointed by the DCI, and the Deputy Directors. Its only funds consist of some \$1,200 per year which it receives from Government Services, Inc. by way of rebate to employees deriving from GSI cafeteria operations. The funds are distributed by the committee to needy Agency personnel by loans. We should think the Fund possibly qualifies as a plan established by an employer, in view of the DCI and other participation.

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However, this same participation, in our opinion, renders the Fund a plan administered by the Federal Government or one of its agencies. Section 4(b)(1) specifically excludes such plans from the bill.

4. You have advised that the Public Service Aid Society is a tax exempt corporation, organized to provide assistance to Federal employees. Its funds consist of donations received from Agency personnel. We would think this organization is also exempt, for the same reasons which pertain to GEHA.

/signed/

[Redacted Signature]

Assistant General Counsel

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